GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2874
ANSWERED ON:20.03.2017
Second Generation Ethanol Plant
Jadhav Shri Prataprao Ganpatrao;Karandlaje Km. Shobha;Patil Shri A.T. (Nana);Sharma Shri Jugal Kishore;Shetti Shri Raju alias Devappa Anna;Singh Shri Sunil Kumar;Suman Shri Balka

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to encourage production of Second Generation (2G) ethanol from agricultural residues and methanol from coal to reduce dependence on imports and save foreign exchange and provide additional sources of remuneration to farmers across the country and formulate a policy in this regard;
(b) if so, the details thereof along with the number of such 2G ethanol bio-refineries set up in the country, State/UT and Oil Marketing Company (OMC)-wise;
(c) the success achieved by the Government in implementing Ethanol blended petrol and Alkanet blended diesel/ bio-diesel in the country so far along with any proposal to increase the ratio of blending of ethanol and Alkanet at par with other countries;
(d) the details of procurement/purchase policy of ethanol and bio-diesel along with mechanism, norms/criteria and prices fixed by the Government/OMCs including relevant BIS standards specifications in this regard; and
(e) whether the Government proposes to allow use of lignocellulosic ethanol made from the bagasse of sugarcane, husk of paddy, wheat, cotton and wood bamboo and if so, the details thereof along with incentives provided by the Government to the farmers for promotion of ethanol blending and bio-diesel in the country and progress made/targets achieved by the Government/OMCs in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE)
(SHRI DHARMENDRA PRADHAN)
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(a) & (b): The Government has allowed procurement of ethanol produced from other non-food feedstocks besides molasses, like cellulosic and ligno cellulosic materials including petrochemical route.
Oil PSUs have entered into Memorandum of Understanding (MoUs) with State Governments and Technology Providers for 2G ethanol bio-refineries. Foundation Stone of one bio-refinery has been laid by Hindustan Petroleum Corporation Limited at Bathinda, Punjab.
(c) to (e): The Government, through Oil Marketing Companies (OMCs), is implementing Ethanol Blended Petrol (EBP) Programme under which, OMCs sell ethanol blended petrol with percentage of ethanol upto 10%, depending upon availability of ethanol. Since December, 2014, the Government has adopted administered price mechanism for procurement of ethanol. For the present ethanol supply year 2016-17, the Government has fixed the price of ethanol at Rs. 39/per litre ex-sugar mill. Additionally, Excise Duty, VAT/GST and transportation charges will be paid. OMCs have been floating Tenders/Expression of Interests for procurement of ethanol.
Ethanol supplies have improved from 38 crore litres during ethanol supply year 2013-14 to 111 crore liters during 2015-16.
Also, Ministry of Petroleum and Natural Gas had announced a Bio-diesel Purchase Policy in October 2005, which became effective from 1.1.2006. On 10.8.2015, the Government has allowed the sale of Bio-diesel (B100) by private manufacturers to bulk consumers like Railways, State Transport Corporations and other bulk consumers. Retailing of bio-diesel blended diesel by Oil Marketing Companies also started on 10.8.2015.
Ethanol and biodiesel are being procured as per BIS specifications IS2796:2008 and IS15607:2016 respectively.
As indicated above, the Government has allowed procurement of ethanol produced from other non-food feedstocks besides molasses.
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